



News Release

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*(REVISED – 11/25)***IRS GRANTS TAX RELIEF TO STORM VICTIMS**

WASHINGTON – The Internal Revenue Service today announced special tax relief for residents of 65 counties in five states – Alabama, Georgia, Mississippi, Ohio and Tennessee – affected by the November 10 tornadoes and storms.

For the purposes of this tax relief, affected taxpayers include individuals and businesses located in the designated counties, those whose tax records are located there and relief workers. A listing of the counties is attached.

All of the counties except those in Georgia are Presidentially Declared Disaster Areas. Because certain relief measures are limited to such disaster areas, some provisions will not apply to taxpayers in these Georgia counties unless they are later included in a disaster declaration.

Taxpayers should put the words “November Storms/Tornadoes” in red ink at the top of any tax forms or notices – except the Form 5500 series – when using any of these relief provisions.

Taxpayers in Presidentially Declared Disaster Areas have the option of claiming disaster-related casualty losses on either their 2001 or 2002 federal income tax returns. Amending a 2001 return will get the taxpayer an earlier refund, but waiting until filing the 2002 return could result in a greater tax saving, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements, but they must first subtract \$100 for each casualty event and then subtract ten percent of their adjusted gross income from their total casualty losses for the year. For details on figuring a casualty loss deduction, see IRS Publication 547, “Casualties, Disasters and Thefts.”

The IRS has also granted the following relief:

- Affected taxpayers with returns originally due between Nov. 10, 2002 and Jan. 10, 2003, have until Jan. 10, 2003, to file.
- Affected taxpayers that have a tax payment due between Nov. 10, 2002 and Jan. 10, 2003, have until Jan. 10, 2003, to pay.

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- Affected taxpayers in the Presidentially Declared Disaster Areas only that had received an extension of time to file that falls between Nov. 10, 2002 and Jan. 10, 2003, have additional time to file until Jan. 10, 2003.
- Affected taxpayers who receive additional time to file or pay will not owe penalties for failure to file or pay from Nov. 10, 2002, to Jan. 10, 2003. In addition, those in the Presidentially Declared Disaster Areas will not owe interest during this time.
- Although the IRS does not grant additional time to make deposits of employment and excise taxes, it will consider requests for abatement of the failure to deposit penalty, based on reasonable cause, for deposits due between Nov. 10, 2002, and Jan. 10, 2003, on a case-by-case basis.
- The filing extension to Jan. 10, 2003, also applies to Form 5500 series returns in the Presidentially Declared Disaster Areas that were required to be filed between Nov. 10, 2002, and Jan. 10, 2003, in the manner described in section 8 of Rev. Proc. 2002-71, 2002-46 I.R.B. 850. When using this extension, check Box D in Part 1 of Form 5500 and attach a statement according to the form's instructions.

The IRS is not extending the time for filing information returns, other than the Form 5500 series as described above.

The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers who need them to apply for benefits or to file amended returns claiming casualty losses. Such taxpayers should put "November Storms/Tornadoes" in red ink at the top of Form 4506, "Request for Copy or Transcript of Tax Form," and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case.

Taxpayers may download forms and publications from the IRS Web site at www.irs.gov or may order them by calling 1-800-TAX-FORM (1-800-829-3676). The IRS toll-free number for general tax questions is 1-800-829-1040.

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[EDITOR'S NOTE: Revised to add four Tennessee counties that were not part of the original disaster declaration, and to delete references to two Mississippi cities (Columbus and Crawford) that were erroneously listed as counties.]

COUNTIES INCLUDED IN “NOVEMBER STORMS/TORNADOES” RELIEF

ALABAMA Barbour, Bibb, Blount, Calhoun, Cherokee, Cleburne, Cullman, Dale, DeKalb, Etowah, Fayette, Franklin, Greene, Hale, Henry, Houston, Jefferson, Lamar, Lawrence, Marion, Marshall, Morgan, Pickens, Shelby, St. Clair, Talladega, Tuscaloosa, Walker, Winston

GEORGIA Bartow*, Butts*, Cherokee*, Dawson*, Pickens*
(*These counties are NOT in a Presidentially Declared Disaster Area)

MISSISSIPPI Clay, Lowndes, Monroe, Noxubee, Oktibbeha

OHIO Hancock, Ottawa, Paulding, Putnam, Seneca, Van Wert

TENNESSEE Anderson, Bedford, Bledsoe, Carroll, Coffee, Crockett, Cumberland, Fentress, Gibson, Henderson, Madison, Marshall, Montgomery, Morgan, Roane, Rutherford, Scott, Sumner, Tipton, Van Buren